



THIRTY-FIFTH JUDICIAL CIRCUIT

MUNICIPAL DIVISIONS

YEARS ENDED 1998 AND 1997

**From The Office Of State Auditor
Claire McCaskill**

Report No. 99-63
August 26, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

August 1999

The following audit report presents our findings and recommendations for certain municipal divisions of the Thirty-Fifth Judicial Circuit. During our audit, we identified accounting records, controls, and certain management practices which we believe could be improved. The municipal divisions in which specific findings and recommendations were noted are listed below:

City of Advance	<i>pages 23-25</i>
City of Arbyrd	<i>pages 25-27</i>
City of Bell City	<i>pages 27-28</i>
City of Bloomfield	<i>pages 28-31</i>
City of Campbell	<i>pages 31-33</i>
City of Cardwell	<i>pages 33-36</i>
City of Clarkton	<i>pages 36-43</i>
City of Dudley	<i>pages 43-45</i>
City of Hornersville	<i>pages 45-50</i>

The municipal divisions for the City of Bernie, the City of Dexter, the City of Holcomb, the City of Kennett, the City of Malden, the City of Puxico, and the City of Senath are reported on separately.

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS

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MUNICIPAL DIVISIONS

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

Presiding Judge
and
Municipal Judges
Thirty-Fifth Judicial Circuit

We have audited the accompanying special-purpose financial statements of the various municipal divisions (other than the city of Clarkton Municipal Division as of and for the years ended December 31, 1998 and 1997, and the city of Hornersville Municipal Division as of and for the years ended April 30, 1998 and 1997) of the Thirty-Fifth Judicial Circuit as of and for the years ended September 30, 1998 and 1997, and June 30, 1998 and 1997, as identified by municipality and fiscal period in the table of contents. These special-purpose financial statements are the responsibility of the municipal divisions' management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of the municipal divisions of the Thirty-Fifth Judicial Circuit and are not intended to be a complete presentation of the financial position and results of operations of the municipal divisions.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of the

municipal divisions (other than the city of Clarkton Municipal Division as of and for the years ended December 31, 1998 and 1997, and the city of Hornersville Municipal Division as of and for the years ended April 30, 1998 and 1997) of the Thirty-Fifth Judicial Circuit as of and for the years ended September 30, 1998 and 1997, and June 30, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

The various municipal divisions of the Thirty-Fifth Judicial Circuit have not presented the disclosures required by Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, that the GASB has determined are necessary to supplement, although not be a part of, the basic financial statements.

In addition, we do not provide assurance that the municipal divisions are or will become year 2000-compliant, that the municipal divisions' year 2000 remediation efforts will be successful in whole or in part, or that parties with which the municipal divisions do business are or will become year 2000-compliant.

We also had planned to audit the accompanying special-purpose financial statements of the city of Clarkton Municipal Division as of and for the years ended December 31, 1998 and 1997, and the city of Hornersville Municipal Division as of and for the years ended April 30, 1998 and 1997. These special-purpose financial statements are the responsibility of the municipal divisions' management.

Internal controls and accounting records of the city of Clarkton Municipal Division were inadequate. Prenumbered receipt slips were not issued for some monies received and receipts were not always deposited intact. Also, records accounting for the numerical sequence and ultimate disposition of each traffic ticket and summons issued by the police department were not maintained. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements of fines, court costs, and bonds for the years ended December 31, 1998 and 1997.

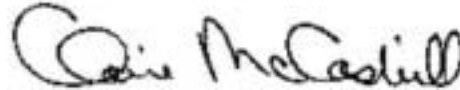
Internal controls and accounting records of the city of Hornersville Municipal Division were inadequate. Prenumbered receipt slips were not issued for some monies received and receipts were not always deposited intact. Also, records accounting for the numerical sequence and ultimate disposition of each traffic ticket issued by the police department were not maintained. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements of fines and court costs for the years ended April 30, 1998 and 1997.

Because of the effects of the matters discussed in the preceding two paragraphs, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the special purpose financial statements of the city of Clarkton Municipal Division as of and for the years ended December 31, 1998 and 1997, and the city of Hornersville Municipal Division as of and for the years ended April 30, 1998 and 1997.

In accordance with *Government Auditing Standards*, we also have issued our report dated January 21, 1999 and April 8, 1999, on our consideration of the municipal divisions' internal controls

over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the municipal divisions' management and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

January 21, 1999, except for the city
of Clarkton Municipal Division, as to
which the date is April 8, 1999
(fieldwork completion dates)



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Presiding Judge
and
Municipal Judges
Thirty-Fifth Judicial Circuit

We have audited the special-purpose financial statements of the various municipal divisions (other than the city of Clarkton Municipal Division as of and for the years ended December 31, 1998 and 1997, and the city of Hornersville Municipal Division as of and for the years ended April 30, 1998 and 1997) of the Thirty-Fifth Judicial Circuit as of and for the years ended September 30, 1998 and 1997, and June 30, 1998 and 1997, and have issued our report thereon dated January 21, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We also had planned to audit the special-purpose financial statements of the city of Clarkton Municipal Division as of and for the years ended December 31, 1998 and 1997, and the city of Hornersville Municipal Division as of and for the years ended April 30, 1998 and 1997, and have issued our report thereon dated January 21, 1999 and April 8, 1999. In that report we did not express an opinion on those special-purpose financial statements.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of the various municipal divisions of the Thirty-Fifth Judicial Circuit are free of material misstatement, we performed tests of the municipal divisions' compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance

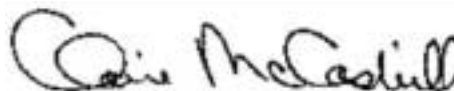
that are required to be reported under *Government Auditing Standards*. However, we noted certain other instances of noncompliance which are presented in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of the various municipal divisions of the Thirty-Fifth Judicial Circuit, we considered the municipal divisions' internal controls over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal controls over financial reporting. However, we noted certain matters involving the internal controls over financial reporting and their operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal controls over financial reporting that, in our judgement, could adversely affect the municipal divisions' ability to record, process, summarize and report financial data consistent with the assertions of management in the special-purpose financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal controls over financial reporting would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we noted certain matters involving the internal controls over financial reporting and their operation that we consider to be material weaknesses, and these matters are presented in the accompanying Management Advisory Report.

This report is intended for the information of the management of the various municipal divisions of the Thirty-Fifth Judicial Circuit and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

January 21, 1999, except for the city of
Clarkton Municipal Division, as to
which the date is April 8, 1999
(fieldwork completion dates)

Financial Statements

Exhibit A

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

(UNAUDITED)

	City of Clarkton (Note 4)	
	Year Ended December 31,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 17,383	29,221
Total Receipts	17,383	29,221
DISBURSEMENTS		
City treasury	13,376	28,966
State of Missouri (Note 3)	0	0
Refunds and other	0	0
Unaccountable (Note 5)	4,007	255
Total Disbursements	17,383	29,221
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, JANUARY 1	0	0
CASH, DECEMBER 31	\$ 0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Advance (Note 4) Year Ended September 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 26,451	29,376
Total Receipts	<u>26,451</u>	<u>29,376</u>
DISBURSEMENTS		
City treasury	26,451	29,376
State of Missouri (Note 3)	0	0
Refunds and other	<u>0</u>	<u>0</u>
Total Disbursements	<u>26,451</u>	<u>29,376</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, OCTOBER 1	<u>0</u>	<u>0</u>
CASH, SEPTEMBER 30	<u><u>\$ 0</u></u>	<u><u>0</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Arbyrd Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 8,060	11,021
Total Receipts	8,060	11,021
DISBURSEMENTS		
City treasury	7,855	10,364
State of Missouri (Note 3)	0	0
Refunds and other	405	957
Total Disbursements	8,260	11,321
RECEIPTS OVER (UNDER) DISBURSEMENTS	-200	-300
CASH, JULY 1	900	1,200
CASH, JUNE 30	\$ 700	900

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Bell City Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 1,534	3,398
Total Receipts	<u>1,534</u>	<u>3,398</u>
DISBURSEMENTS		
City treasury	1,534	3,398
State of Missouri (Note 3)	0	0
Refunds and other	<u>0</u>	<u>0</u>
Total Disbursements	<u>1,534</u>	<u>3,398</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, JULY 1	<u>0</u>	<u>0</u>
CASH, JUNE 30	\$ <u><u>0</u></u>	<u><u>0</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Bloomfield (Note 4)	
	Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 23,069	10,019
Total Receipts	23,069	10,019
DISBURSEMENTS		
City treasury	23,069	10,019
State of Missouri (Note 3)	0	0
Refunds and other	0	0
Total Disbursements	23,069	10,019
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, JULY 1	0	0
CASH, JUNE 30	\$ 0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Campbell Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 28,081	30,027
Total Receipts	<u>28,081</u>	<u>30,027</u>
DISBURSEMENTS		
City treasury	15,411	19,760
State of Missouri (Note 3)	0	0
Refunds and other	<u>12,245</u>	<u>10,684</u>
Total Disbursements	<u>27,656</u>	<u>30,444</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	425	-417
CASH, JULY 1	<u>3,218</u>	<u>3,635</u>
CASH, JUNE 30	\$ <u><u>3,643</u></u>	<u><u>3,218</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Cardwell Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines and costs	\$ 11,038	11,065
Total Receipts	<u>11,038</u>	<u>11,065</u>
DISBURSEMENTS		
City treasury	11,038	11,065
State of Missouri (Note 3)	0	0
Refunds and other	<u>0</u>	<u>0</u>
Total Disbursements	<u>11,038</u>	<u>11,065</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, JULY 1	<u>0</u>	<u>0</u>
CASH, JUNE 30	<u>\$ 0</u>	<u>0</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Dudley Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines and costs	\$ 90	461
Total Receipts	90	461
DISBURSEMENTS		
City treasury	90	461
State of Missouri (Note 3)	0	0
Refunds and other	0	0
Total Disbursements	90	461
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, JULY 1	0	0
CASH, JUNE 30	\$ 0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

(UNAUDITED)

	City of Hornersville Year Ended April 30,	
	1998	1997
RECEIPTS		
Fines and costs	\$ 329	1,567
Total Receipts	329	1,567
DISBURSEMENTS		
City treasury	188	1,132
State of Missouri (Note 3)	0	0
Refunds and other	0	0
Unaccountable (Note 6)	141	435
Total Disbursements	329	1,567
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, MAY 1	0	0
CASH, APRIL 30	\$ 0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present only selected data for the funds administered by the nine municipal divisions of the Thirty-Fifth Judicial Circuit of the state of Missouri. The remaining municipal divisions of the Thirty-Fifth Judicial Circuit are reported on separately.

Receipts, disbursements, and changes in cash are presented for each municipal division. The operating costs of each division are paid by the respective municipality and are not included in these financial statements.

The municipal division is responsible for cash bonds posted until case disposition allows appropriate disbursement. Bond monies relating to pending cases, whether in the custody of the city or the municipal division, are included in these financial statements.

B. Basis of Accounting

The Statements of Receipts, Disbursements, and Changes in Cash are prepared on the cash basis of accounting; accordingly, amounts are recognized when they are received or disbursed. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Fiscal Authority and Responsibility

The municipal divisions account for fines and court costs resulting from prosecution of violations of municipal ordinances before the municipal judge or received through the traffic violations bureau, as well as cash bonds posted. Municipal violations could include traffic offenses, both moving and nonmoving; parking meter and overtime parking offenses; and other violations for which amounts are received by the municipal divisions and remitted to the city treasury. The municipal divisions also may account for restitutions received and disbursed through the divisions.

2. Cash

Section 479.080, RSMo 1994, requires municipal divisions to deposit fines and court costs

into the city treasury at least monthly. The municipal divisions do not maintain bank accounts for fines and court costs, transmitting fines and court costs directly to the city treasury. Escrow bank accounts for bond monies received may be maintained by the city or the municipal division.

At the financial statement dates identified in the table of contents for the years ended 1998 and 1997, all bank account balances reported for the municipal divisions of the Thirty-Fifth Judicial Circuit were entirely covered by federal depository insurance.

3. Disbursements to State

The municipal divisions collect various amounts that must be remitted to the state of Missouri. These amounts include the surcharges for the Crime Victims' Compensation and Services to Victims Funds, and the Peace Officer Standards and Training Commission Fund. The state's portions of these amounts are deposited into the city treasury for all municipal divisions. Amounts remitted by the cities to the state are not included in the financial statements.

The municipal divisions of the city of Bell City, the city of Clarkton, and the city of Hornersville did not assess the Peace Officer Standards and Training Commission fee.

4. Bonds

Bonds posted by defendants for the municipal divisions of the city of Clarkton, the city of Advance, and the city of Bloomfield are deposited directly into the city treasury. The amounts held by the city at year-end could not be determined and, therefore, are not included in the financial statements.

5. City of Clarkton

Fines, court costs, and bonds received by the city of Clarkton Municipal Division were not consistently deposited into the city's Motor Fuel Street Account. Receipts that could not be traced to deposits into this account are included in the receipts and are presented as unaccountable disbursements on the financial statement for the two years ended December 31, 1998.

6. City of Hornersville

Fines and court costs received by the city of Hornersville Municipal Division were not consistently deposited into the city's Police Fund. Receipts that could not be traced to deposits into this account are included in the receipts and are presented as unaccountable disbursements on the financial statement for the two years ended April 30, 1998.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Current Recommendations

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
MANAGEMENT ADVISORY REPORT-
STATE AUDITOR'S CURRENT RECOMMENDATIONS

We have audited the special-purpose financial statements of the various municipal divisions (other than the city of Clarkton Municipal Division as of and for the years ended December 31, 1998 and 1997, and the city of Hornersville Municipal Division as of and for the years ended April 30, 1998 and 1997) of the Thirty-Fifth Judicial Circuit as of and for the years ended September 30, 1998 and 1997, and June 30, 1998 and 1997, and have issued our report thereon dated January 21, 1999.

We also had planned to audit the special-purpose financial statements of the city of Clarkton Municipal Division as of and for the years ended December 31, 1998 and 1997, and the city of Hornersville Municipal Division as of and for the years ended April 30, 1998 and 1997, and have issued our report thereon dated January 21, 1999 and April 8, 1999. In that report we did not express an opinion on those special-financial statements.

The following Management Advisory Report presents our findings and recommendations arising from our procedures related to the municipal divisions' special-purpose financial statements. During those procedures, we also identified certain management practices which we believe could be improved. Our procedures were not designed or intended to be a detailed study of every system, procedure, and transaction. Accordingly, the findings presented in the following report should not be considered as all-inclusive of areas where improvements may be needed.

1.	City of Advance Municipal Division
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- A. The duties of receiving, recording, and depositing fine, court cost, and bond monies collected by the municipal division are not adequately segregated. Currently, the Court Clerk performs all these duties. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Since this is an office of one employee and proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts deposited.
- B. During our review, we noted the following concerns related to bonds:
 - 1) Bond monies received by the court are deposited into the city's general account for the city of Advance Municipal Division. The city of Advance does not maintain separate records of the bonds deposited, disbursed, and held in its general account. Monthly listings of open items (liabilities) are not prepared. Monthly listings of open items are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities.

- 2) The Court Clerk maintains a bond ledger; however, the bond ledger does not consistently indicate the disposition of bonds. A bond ledger indicating the related case, date and amount of receipt, and date and method of disbursement is necessary to ensure proper accountability over bonds.
- C. The municipal division allows defendants to make partial payments on fines and court costs. However, the court does not maintain adequate records to account for individual and total amounts owed to the court. We noted that fines and costs assessed and partial payments made were not always recorded in the case file. In addition, for three of five cases reviewed, written or signed payment agreements were not obtained. As a result, the municipal division could not determine the total amount currently owed by individuals with partial payment plans.
- Accounts receivable records, including written and signed payment agreements, are necessary to ensure proper follow up action is taken and to facilitate monitoring of amounts due to the municipal division. A written and signed payment agreement is necessary to indicate the intent of the defendant to pay fines and court costs.
- D. During our review, we noted the following concerns related to court dockets:
- 1) The final disposition of each case is not consistently documented in the court docket. The ultimate disposition of each case should be recorded on the docket to ensure the proper disposition has been recorded in the court records.
 - 2) The Municipal Judge does not consistently sign the court dockets after case dispositions are recorded. We noted that court costs and fines assessed did not agree with the amounts authorized by the TVB schedule for five of forty-one (12 percent) tickets tested. To ensure the proper disposition of all cases has been entered in the court records, the judge should review each court docket and sign the docket to indicate approval of the recorded disposition.
- E. Instances were noted where the Crime Victim's Compensation (CVC), Law Enforcement Training (LET), and Peace Officer Standards and Training Commission (POSTC) fees were inappropriately charged on dismissed cases. Sections 595.045.1 and 590.140.1, RSMo Cumulative Supp. 1998, require these fees to be charged on all court cases for violations of municipal ordinances, except for cases dismissed by the court.

Conditions similar to D. and E. were also noted in our prior report.

WE RECOMMEND the city of Advance Municipal Division:

- A. Establish a documented review of municipal division records by an independent person.

- B.1. Prepare monthly listings of open items and reconcile these listings to monies held in trust by the city. In addition, separate records should be maintained of bonds received, disbursed, and held in the city of Advance's general account.
- 2. Maintain an adequate bond ledger.
- C. Establish and maintain accounts receivable records and obtain written and signed payment agreements for those defendants which are allowed to pay fines and court costs over a period of time.
- D.1. Include the disposition of each case on the court docket.
- 2. Require the Municipal Judge to review all court dockets for propriety and sign the dockets.
- E. Assess CVC, LET, and POSTC fees in accordance with state law.

AUDITEE'S RESPONSE

The Municipal Judge provided the following responses:

- A. *Internal controls will be established to ensure that a documented review by the Mayor, or his representative, is made not less than once a quarter.*
- B.1. *Listings as recommended will be prepared and reconciled to monies held in trust. A separate bank account will be established for the municipal division. Proper records will be maintained accordingly.*
- 2. *An adequate bond ledger will be maintained and monitored.*
- C. *Proper records, including signed written agreements, will be established in regard to partial payments of fines and costs.*
- D.1. *Proper records are being maintained to show the disposition of each case on the docket.*
- 2. *This recommendation is being complied with.*
- E. *Procedures will be instigated to determine that the state law will be complied with.*

2.	City of Arbyrd Municipal Division
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- A. The duties of receiving, recording, depositing, and disbursing fine, court cost, and bond monies collected by the municipal division are not adequately segregated. Currently, the

Court Clerk performs all these duties. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Since this is an office of one employee and proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts deposited.

- B. The Court Clerk accepts cash, checks, and money orders for the payment of fines, court costs, and bonds. The Court Clerk does not consistently record the method of payment on receipt slips. To ensure receipts are deposited intact, the method of payment should be indicated on all receipt slips. The composition of receipt slips issued should be reconciled to the composition of deposits.
- C. During our review, we noted the following concerns related to bonds:
 - 1) Bond monies received by the court are deposited into the city's general account for the city of Arbyrd Municipal Division. The city of Arbyrd does not maintain separate records of bonds deposited, disbursed, and held in its general account. Although an open items listing was prepared at our request, monthly listings of open items (liabilities) are not prepared and reconciled to the balance of bonds held in the city's general account. Monthly listings of open items are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities.
 - 2) The December 1, 1998 open items listing included bond receipts totaling \$700 which had been held in excess of one year. An attempt should be made to determine the proper disposition of these monies. A review should be made of any bonds posted by persons who failed to make the required court appearance to determine if the bonds should be forfeited and monies paid turned over to the city treasury as provided by Section 479.210, RSMo 1994. For those bonds which cannot be forfeited and remain unclaimed, Sections 447.500 through 447.595, RSMo 1994, which relate to unclaimed property, should be used to disburse these monies.

Conditions similar to B. and C.1. were also noted in our prior report.

WE RECOMMEND the city of Arbyrd Municipal Division:

- A. Establish a documented review of municipal division records by an independent person.
- B. Record the method of payment on all receipt slips issued and reconcile the composition of receipt slips issued to the composition of deposits.

- C.1. Prepare monthly listings of open items and reconcile the listing to monies held in trust by the city. In addition, separate records should be maintained of bonds received, disbursed, and held in the city of Arbyrd's general account.
- 2. Forfeit any bonds for persons who failed to make the required court appearance, and attempt to locate those defendants with unclaimed bonds. Any bond monies remaining unclaimed should be remitted to the state in accordance with state law. Procedures should be established to routinely follow-up on cash bonds remaining on hand over a period of time.

AUDITEE'S RESPONSE

The Court Clerk provided the following responses:

- A. *The water superintendent has agreed to compare receipt slips issued to amounts deposited in regard to cash, checks, or money orders. This recommendation has already been implemented.*
- B. *New receipt books were ordered which have a place to indicate when cash, checks or other are received. This was not implemented before because such a large number of receipt books were on hand. Cash or check was noted on the receipt slips if the Clerk remembered. This has been implemented.*
- C.1. *An accounts payable record is now kept for bonds. After the court session, journal entries are made to show what portion of the bond went to fines and costs, and checks are issued for any refunds. An open items list is presented to the council members which is prepared at the end of each month and reconciled to the bonds held in trust by the city.*
- 2. *When these cases were transferred to circuit court at the request of the defendants or their attorney, the bonds were not transferred. A letter from the city attorney was never received stating what happened to the cases, although letters were written requesting the dispositions. We will continue to try to find out what happened on these cases.*

3. City of Bell City Municipal Division
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- A. The duties of receiving, recording, depositing, and disbursing fine, court cost, and bond monies collected by the municipal division are not adequately segregated. Currently, the Court Clerk performs all these duties. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Since this is an office of one employee and proper segregation of duties cannot be achieved, at a minimum, there

should be a documented independent comparison of receipt slips issued to amounts deposited.

- B. The TVB accepts cash, checks, and money orders for fines and court costs. Receipt slips are not issued for some monies received. In addition, the composition of receipts is not reconciled to the composition of deposits. To adequately account for all receipts and ensure all receipts are deposited intact, prenumbered receipt slips should be issued for all monies received, and the numerical sequence of receipts should be accounted for properly. Furthermore, the composition of receipt slips issued should be reconciled to the composition of bank deposits.
- C. The municipal division operates a TVB that allows certain offenses to be paid prior to the court date. However, a court order has not been issued to formally establish the TVB.

Section 479.050, RSMo 1994, states that a TVB may be established by the Municipal Judge. Supreme Court Rule No. 37.49 requires the Municipal Judge to establish the TVB by court order, to designate a TVB Clerk, and to establish by schedule the amount of fines and costs to be imposed for each offense. In addition, the schedule of fines and costs is required to be prominently posted at the TVB.

Conditions similar to B. and C. were also noted in our prior report.

WE RECOMMEND the city of Bell City Municipal Division:

- A. Establish a documented review of municipal division records by an independent person.
- B. Issue prenumbered receipt slips for all monies received and reconcile total cash, checks, and money orders received to bank deposits.
- C. Prepare a court order authorizing the establishment of a TVB.

AUDITEE'S RESPONSE

The Court Clerk provided the following responses:

- A. *The Mayor will reconcile receipt slips to deposits each month.*
- B. *This will be implemented.*
- C. *This will be discussed with the Associate Circuit Judge.*

- A. The duties of receiving, recording, and depositing fine, court cost, and bond monies collected by the municipal division are not adequately segregated. Currently, the Court Clerk performs all these duties. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Since this is an office of one employee and proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts deposited.
- B. During our review, we noted the following concerns related to receipts:
 - 1) Receipts are not deposited on a timely basis. Fine and court cost monies are deposited to the city treasury approximately once or twice a month. In addition, the composition of receipt slips issued is not reconciled to the composition of deposits. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, monies should be deposited intact daily or when accumulated receipts exceed \$100. Furthermore, the composition of receipt slips issued should be reconciled to the composition of bank deposits.
 - 2) The Court Clerk provides a monthly report of collection activity to the city. However, the Court Clerk does not reconcile this report to deposits. To properly account for receipts and to reduce the risk of loss or misuse of funds, reconciliations between the monthly reports and deposits should be performed, documented, and retained.
- C. The Municipal Judge does not sign the individual case file sheets (court dockets) after case dispositions are recorded. To ensure the proper disposition of all cases has been entered in the court records, the judge should review each case docket and sign the docket to indicate approval of the recorded disposition.
- D. During our review, we noted the following concerns related to bonds:
 - 1) Bond monies received by the court are deposited into the city's general account for the city of Bloomfield Municipal Division. The city of Bloomfield does not maintain separate records of bonds deposited, disbursed, and held in its general account. Monthly listings of open items (liabilities) are not prepared and reconciled to monies held in trust by the city. Monthly listings of open items are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities.

- 2) The Court Clerk does not maintain a bond ledger. A bond ledger indicating the related case, date and amount of receipt, and date and method of disbursement is necessary to ensure proper accountability over bonds.
- E. The municipal division allows defendants to pay fines and costs over a period of time; however, written or signed payment agreements are not obtained. A written and signed payment agreement is necessary to indicate the intent of the defendant to pay the fines and court costs and to aid in accounting for and collecting the amounts due to the municipal division.
- F. Peace Officer Standards and Training Commission (POSTC) fees collected by the municipal division are deposited into the city treasury. However, the POSTC fees have never been remitted to the state. Section 590.140.1, RSMo Cumulative Supp. 1998, requires POSTC fees to be disbursed to the state.

Conditions similar to B.2. and C. were also noted in our prior report.

WE RECOMMEND the city of Bloomfield Municipal Division:

- A. Establish a documented review of municipal division records by an independent person.
- B.1. Deposit all monies intact daily or when accumulated receipts exceed \$100. Also, reconcile total cash, checks, and money orders received to bank deposits.
 2. Perform, document, and retain monthly reconciliations between the monthly report and bank deposits.
- C. Require the Municipal Judge to review all court dockets for propriety and sign the dockets.
- D.1. Prepare monthly listings of open items and reconcile these listings to monies held in trust by the city. In addition, separate records should be maintained of bonds received, disbursed, and held in the city of Bloomfield's general account.
 2. Maintain a bond ledger.
- E. Obtain a written and signed payment agreement for those defendants which are allowed to pay fines and court costs over a period of time.
- F. Request the city to properly remit POSTC fees to the state in accordance with state law.

AUDITEE'S RESPONSE

The Municipal Judge and Court Clerk provided the following responses:

- A. The Municipal Judge will reconcile receipt slips to deposits each month.*
- B.1. We have implemented this recommendation.*
 - 2. We will include all activity on the monthly report and reconcile to deposits.*
- C. The Municipal Judge will sign each court docket.*
- D. The Court Clerk is now maintaining a bond ledger. We will request monthly reports from the city regarding the bond account and will reconcile these to the bond ledger.*
- E. We will implement a continuance docket.*
- F. This will be implemented.*

5. City of Campbell Municipal Division

- A. The Court Clerk accepts cash, checks, and money orders for the payment of fines and court costs. The Court Clerk does not consistently record the method of payment on receipt slips. To ensure receipts are transmitted and deposited intact, the method of payment should be indicated on all receipt slips. The composition of receipt slips issued should be reconciled to the composition of transmittals and deposits.
- B. Bank reconciliations are not prepared monthly, deposits are not recorded timely, and a running balance is not maintained for the municipal division's bond bank account. To ensure all differences between bank and book balances are noted in a timely manner, the bank account should be reconciled monthly, all transactions should be recorded as they occur, and a balance should be maintained in the checkbook register.
- C. During our review, we noted the following concerns related to bonds:
 - 1) Monthly listings of open items (liabilities) are not prepared and reconciled to the available cash balance. The Court Clerk prepared an open items listing as of October 30, 1998. The open items listing totaled \$192 more than the balance of bonds in the bond account. It appears this difference may be due to inaccuracies on the open items listing.

Monthly open items listings should be prepared and reconciled to the available cash balance to ensure proper accountability over open cases and ensure monies held in trust are sufficient to meet liabilities.

- 2) The October 30, 1998 open items listing included bond receipts totaling \$3,222 which had been held in excess of one year. An attempt should be made to determine the proper disposition of these monies. A review should be made of any bonds posted by persons who failed to make the required court appearance to determine if the bonds should be forfeited and monies paid turned over to the city treasury as provided by Section 479.210, RSMo 1994. For those bonds which cannot be forfeited and remain unclaimed, Sections 447.500 through 447.595, RSMo Cumulative Supp. 1998, which relate to unclaimed property, should be used to disburse these monies.
- 3) When a case is completed the bond is refunded. A check for the total amount of the bond is made payable to the defendant. If the defendant wishes to use the bond money to pay his fine and court costs, he must endorse the check and return it to the municipal division. After the fine and court costs are deducted from the bond amount, any difference is disbursed to the defendant from other cash collections. This procedure of cashing bond refund checks does not allow fines and court costs to be deposited intact.

To ensure fines and court costs are deposited intact, the court should discontinue the practice of cashing bond refund checks. To accomplish this, the court should issue the refund checks in the amount of the difference between the fines and court costs due and the total bond amount. The amounts applied toward the fines and court costs should be separately transferred from the bond account to the city treasury.

- D. Instances were noted where the Crime Victim's Compensation (CVC), Law Enforcement Training (LET), and Peace Officer Standards and Training Commission (POSTC) fees were inappropriately charged on dismissed cases. Sections 595.045.1 and 590.140.1, RSMo Cumulative Supp. 1998, require these fees to be charged on all court cases for violations of municipal ordinances, except for cases dismissed by the court.

Similar conditions were also noted in our prior report.

WE AGAIN RECOMMEND the city of Campbell Municipal Division:

- A. Record the method of payment on all receipt slips issued and reconcile the composition of receipt slips issued to the composition of monies transmitted and deposited.

- B. Reconcile the bond checking account monthly, record all transactions timely and maintain an accurate running balance in the bond checkbook register.
- C.1. Prepare monthly listings of open items and reconcile the listing to monies held in trust by the court. In addition, the reason for the apparent \$192 shortage should be investigated by reviewing all open bonds on the open items listing. In the event cash is determined to be insufficient to meet bond liabilities, the municipal division will need to review this matter with the city to determine the proper resolution.
- 2. Forfeit any bonds for persons who failed to make the required court appearance, and attempt to locate those defendants who have a cash bond due back to them. Any bond monies remaining unclaimed should be remitted to the state in accordance with state law. Procedures should be established to routinely follow-up on cash bonds remaining on hand over a period of time.
- 3. Discontinue the practice of cashing bond refund checks out of other cash collections.
- D. Assess CVC, LET, and POSTC fees in accordance with state law.

AUDITEE'S RESPONSE

The Municipal Judge and Court Clerk provided the following responses:

- A. *The method of payment will be recorded on all receipt slips and the City Collector is now reconciling the composition of monies transmitted and deposited.*
- B. *This has been implemented and is done monthly.*
- C.1. *Monthly listings of open items are now prepared and the difference is down to around \$50. We will continue to investigate the difference.*
- 2. *These cases will be reviewed.*
- 3. *This will be implemented.*
- D. *The Municipal Judge will consider this recommendation.*

6.	City of Cardwell Municipal Division
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- A. The duties of receiving, recording, depositing, and disbursing fine and court cost monies collected by the municipal division are not adequately segregated. Currently, the Court Clerk performs all these duties. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted

for properly and assets are adequately safeguarded. Since this is an office of one employee and proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts deposited.

- B. Receipts are not deposited on a timely basis. Fine and court cost monies are deposited to the city treasury approximately once or twice a month. In addition, fine and court cost monies are not deposited intact. Personal checks are cashed for city residents from official court receipts. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the court should discontinue the practice of cashing personal checks from court receipts and monies should be deposited intact daily or when accumulated receipts exceed \$100.
- C. Checks and money orders are not restrictively endorsed until deposits are prepared. In addition, the endorsement used when deposits are made is not restrictive. To reduce the risk of loss or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.
- D. During our review, we noted the following concerns related to documentation of case dispositions:
 - 1) The final disposition of each case is not consistently documented in the court docket. The ultimate disposition of each case should be recorded on the docket to ensure the proper disposition has been recorded in the court records.
 - 2) The Municipal Judge does not sign the court dockets after case dispositions are recorded. To ensure the proper disposition of all cases has been entered in the court records, the judge should review each court docket and sign the docket to indicate approval of the recorded disposition.
 - 3) A schedule which specifies the offenses which may be paid at the TVB and the amount of fines and costs to be imposed for each offense has been formally established by court order pursuant to Section 479.260.6, RSMo Cumulative Supp. 1998. However, amounts collected by the Court Clerk at the TVB did not agree to the TVB schedule for five of the nine (56 percent) tickets tested. For two of these five cases, confirmations indicated the amounts paid were more than the amount recorded. We could not determine if these additional monies had been received by the Court Clerk and deposited into the city treasury.

The Court Clerk does not have the authority to impose fines and costs except in those offenses and amounts established by the Municipal Judge in the TVB schedule. The Court Clerk should ensure that amounts collected at the TVB are in agreement with the fine and cost schedule established by the judge.

- E. The municipal division allows defendants to pay fines and costs over a period of time; however, written and signed payment agreements are not obtained. In addition, for three of five cases reviewed with balances past due, warrants had not been issued.

A written and signed payment agreement is necessary to indicate the intent of the defendant to pay fines and court costs and to aid in accounting for and collecting the amounts due to the municipal division.

- F. The Court Clerk does not always forward required records of convictions on traffic offenses to the Missouri State Highway Patrol (MSHP). In seven instances out of seven items reviewed (100 percent), the required records were not forwarded. Section 302.225, RSMo Cumulative Supp. 1998, requires records of any pleas or findings of guilty on traffic violations under the laws of the state, county, or municipal ordinance to be forwarded to the MSHP within ten days.

- G. During our review, we noted the following concerns related to fines, court costs and fees:

- 1) Crime Victim's Compensation (CVC) and Peace Officer Standards and Training Commission (POSTC) fees collected by the municipal division are deposited directly into the city treasury. The Court Clerk remits these fees to the state approximately once a year. In addition, the amounts disbursed to the state for fees collected from July 1993 through November 1998 were not accurate. The Court Clerk disbursed \$762 in CVC fees and \$99 in POSTC fees in excess of amounts collected. Section 595.045.5, RSMo Cumulative Supp. 1998, requires 95 percent of the CVC fee to be paid to the state monthly. POSTC fees should also be disbursed monthly to the state.
- 2) Instances were noted where the Crime Victim's Compensation (CVC), Law Enforcement Training (LET), and Peace Officer Standards and Training Commission (POSTC) fees were inappropriately charged on dismissed cases. Sections 595.045.1 and 590.140.1, RSMo Cumulative Supp. 1998, require these fees to be charged on all court cases for violations of municipal ordinances, except for cases dismissed by the court.
- 3) The municipal division assesses various amounts for seat belt violations heard in court. For five traffic tickets reviewed with seat belt violations the amounts assessed ranged from \$50 to \$83.

Section 307.178.5, RSMo Cumulative Supp. 1998, states a fine not to exceed \$10 may be imposed and no court costs shall be imposed on any person due to a seat belt law violation.

Conditions similar to B., D.2., E., and G.1. were also noted in our prior report.

WE RECOMMEND the city of Cardwell Municipal Division:

- A. Establish a documented review of municipal division records by an independent person.
- B. Deposit all monies intact daily or when accumulated receipts exceed \$100. In addition, the court should discontinue the practice of cashing personal checks from court receipts.
- C. Restrictively endorse all checks and money orders immediately upon receipt.
- D.1. Include the disposition of each case on the court docket.
 - 2. Require the Municipal Judge to review all court dockets for propriety and sign the dockets.
 - 3. Ensure the amounts collected at the TVB are in agreement with the fine and cost schedule established by the judge.
- E. Obtain written and signed payment agreements for those defendants which are allowed to pay fines and court costs over a period of time and institute procedures to collect amounts owed.
- F. Forward records of convictions on traffic offenses to the MSHP as required by state law.
- G.1. Ensure that CVC and POSTC fees are disbursed monthly in accordance with state law.
 - 2. Assess CVC, LET, and POSTC fees in accordance with state law.
 - 3. Assess fines for seat belt violations in accordance with state law.

AUDITEE'S RESPONSE

The Municipal Judge provided the following responses:

A-C, F

G.1&2. These recommendations will be implemented.

D.1&2.

G.3. These recommendations have been implemented.

D.3. This will be implemented. The Municipal Judge will review TVB cases.

- E. *Signed payment agreements are being used and warrants are issued if show cause orders are ignored.*

7. City of Clarkton Municipal Division

- A. The duties of receiving, recording, depositing, and disbursing fine, court cost, and bond monies collected by the municipal division are not adequately segregated. Currently, the Court Clerk performs all these duties. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Since this is an office of one employee and proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts deposited.
- B. During our initial review, we noted that some payments recorded on the receipt slips could not be traced to a deposit into the city's Motor Fuel Street Account, the account designated to receive all court collections. In addition, the Court Clerk indicated all court receipts should be deposited into this account. Since we could not account for all court receipts, we performed additional procedures for the period January 1, 1997 through March 31, 1999.

For this period, we compared checks and cash deposited in the Motor Fuel Street Account to the corresponding receipts. We determined total court receipts by comparing the receipt slips to the corresponding bank deposits for the audit period. We noted deposits containing unrecorded receipts and receipt slip amounts that could not be traced to bank deposits. The following table summarizes the results of our review:

	3 Months Ended March 31, 1999	Year Ended December 31,		Total
		1998	1997	
Receipts recorded on receipt slips	\$ 14,099	15,605	26,778	56,482
Monies received, but not recorded on receipt slips	363	1,878	2,443	4,684
Total court receipts identified	14,462	17,483	29,221	61,166
Less deposits to Motor Fuel Street Account	14,213	13,476	28,966	56,655
Court receipts not deposited to Motor Fuel Street Account	\$ 249	4,007	255	4,511

In addition, we noted the amount of cash deposited fluctuated significantly as follows:

A new Court Clerk was appointed May 6, 1998. She resigned January 11, 1999 while we were conducting the audit. We noted nothing to explain the significant decline in the percentage of cash deposited during 1998. In fact, the number of cases filed with the municipal division increased from 162 during 1997 to 260 during 1998. Based on this cash deposit activity it appears there should have been some additional cash deposits during the period May 6, 1998 to January 11, 1999.

Because court monies are commingled with city funds and deposits are not made intact, we could not determine if court dollars were deposited in other city accounts. The municipal division, along with the city, should review this situation and take necessary actions to recover any monies determined to be missing.

C. During our review, we noted the following concerns related to receipts:

- 1) Receipt slips are not issued for some monies received. Also, the police department occasionally collects monies for fines and court costs when the Court

<div>C i n</div> Period	Total Deposited	Cash Deposited	Percent Cash
Period January 1, 1997 to May 5, 1998	\$ 34,090	28,185	83 %
Period May 6, 1998 to January 11, 1999	9,030	4,483	50
Period January 12 to March 31, 1999	13,535	9,287	69

- C
Clerk does not prepare a court receipt slip for the monies transmitted from the police department. To adequately account for all receipts and ensure all receipts are deposited intact, a prenumbered receipt slip should be issued for all monies received and the numerical sequence of receipts should be accounted for properly.

- 2) The Court Clerk does not consistently note the method of payment on the receipt slip, and the composition of receipts is not reconciled to the composition of deposits. To provide assurance all monies received have been properly deposited intact, the method of payment should be recorded on each receipt slip, and the composition of monies received should be reconciled to the composition of monies deposited.

- D. The municipal division does not file with the city a monthly report of all cases heard in court. Section 479.080.3, RSMo 1994, requires the Court Clerk to prepare a monthly listing of all cases heard in court, including all fines and court costs collected, to be verified by the Court Clerk or Municipal Judge and filed with the City Clerk.
- E. Numerous bank statements, canceled checks, and deposit slips could not be located. In addition, several records indicating the assignment of ticket books to officers could not be located.

Supreme Court Administrative Rule No. 8 requires that all financial records be maintained for five years or upon completion of an audit. Retention of applicable records is necessary to properly account for all municipal monies received.

- F. During our review, we noted the following concerns related to court dockets:
 - 1) The final disposition of each case is not consistently documented in the court docket. The ultimate disposition of each case should be recorded on the docket to ensure the proper disposition has been entered in to the court records.
 - 2) The Municipal Judge does not sign the court dockets after case dispositions are recorded. To ensure the proper disposition of all cases has been entered in the court records, the judge should review each court docket and sign the docket to indicate approval of the recorded disposition.
- G. During our review, we noted the following concerns related to bonds:
 - 1) The Court Clerk does not perform reconciliations for the municipal division's bank account. Monthly bank reconciliations are necessary to ensure the bank account is in agreement with the accounting records and to detect errors on a timely basis. In addition, all bank reconciliations should be documented and all differences fully investigated and explained.
 - 2) The Court Clerk does not maintain a bond ledger and does not prepare a monthly listing of open items (liabilities).

A bond ledger indicating date and amount of receipt and date and method of disbursement is necessary to ensure proper accountability over bonds. Monthly listings of open items are necessary to ensure proper accountability over open cases and to ensure monies held in trust by the court are sufficient to meet liabilities.

- 3) The bond escrow bank statement indicated a deposit of \$100 on December 17, 1998. However, the bond was not receipted, and the municipal division is unable to indicate who posted the bond.

To provide proper accountability over bonds and to ensure all bonds are deposited, prenumbered receipt slips should be issued for all bonds and the details of each bond should be included on the bond ledger and monthly listing of open items.

H. During our review, we noted the following concerns related to traffic tickets and summonses:

- 1) Neither the police department nor the municipal division maintains a log to account for traffic tickets and summonses issued and their ultimate disposition. In addition, a log of summonses assigned is not maintained.

Without a proper accounting for the numerical sequence and disposition of traffic tickets and summonses, the police department and the municipal division cannot be assured that all tickets and summonses issued were properly submitted to the court. A record of the ultimate disposition of each traffic ticket and summons issued should be maintained as well as a log of summonses assigned, to ensure all traffic ticket and summonses have been accounted for properly.

- 2) The Court Clerk does not forward required records of convictions on traffic offenses to the Missouri State Highway Patrol (MSHP). Section 302.225, RSMo Cumulative Supp. 1998, requires records of any pleas or findings of guilty on traffic violations under the laws of the state, county, or municipal ordinance to be forwarded to the MSHP within ten days.

I. During our review, we noted the following concerns related to the municipal division's TVB:

- 1) Although the municipal division operates a TVB that allows certain offenses to be paid prior to the court date, a court order has not been issued to formally establish the TVB.
- 2) A schedule which specifies the offenses which may be paid at the TVB and the amount of fines and costs to be imposed for each offense has been formally established by court order pursuant to Section 479.260, RSMo 1994. However, this schedule of fines and court costs has not been prominently posted at the TVB.

Section 479.050, RSMo 1994, states that a TVB may be established by the Municipal Judge. Supreme Court Rule No. 37.49 requires the Municipal Judge to establish the TVB by court order, to designate a TVB Clerk, and to establish by schedule the amount of fines

and costs to be imposed for each offense. In addition, the schedule of fines and costs is required to be prominently posted at the TVB.

- J. The municipal division allows defendants to make partial payments on fines and court costs. However, the court does not maintain adequate records to account for individual and total amounts owed to the court and written and signed payment agreements are not obtained. We noted that partial payments made were not always recorded on the case file and docket book.

Accounts receivable records, including written and signed payment agreements, are necessary to ensure proper follow up action is taken and to facilitate monitoring of amounts due to the municipal division. A written and signed payment agreement is necessary to indicate the intent of the defendant to pay fines and court costs.

- K. During our review, we noted the following concerns related to fees:

- 1) Crime Victim's Compensation (CVC) fees collected by the municipal division are deposited into the city treasury. The Court Clerk does not maintain documentation of CVC fees collected. CVC fees have never been remitted to the state. Section 595.045, RSMo Cumulative Supp. 1998, requires CVC fees to be disbursed to the state monthly. To properly account for the collections and ultimate disbursement of CVC fees, the court should document CVC collections.
- 2) Instances were noted where the Crime Victim's Compensation (CVC) and Law Enforcement Training (LET) fees were inappropriately charged on dismissed cases. Sections 595.045.1 and 590.140.1, RSMo Cumulative Supp. 1998, require these fees to be charged on all court cases for violations of municipal ordinances, except for cases dismissed by the court.
- 3) Peace Officer Standards and Training Commission (POSTC) fees were not assessed or collected in accordance with state law. Section 590.140.1, RSMo Cumulative Supp. 1998, requires this fee to be charged on all court cases for violations of municipal ordinances, except for cases dismissed by the court.

Conditions similar to C., D., F., G.2., H.-J., K.1., and K.2. were also noted in our prior report.

Because of the problems noted above, we were unable to express an opinion on the financial statements of the city of Clarkton Municipal Division as of and for the years ended December 31, 1998 and 1997. These deficiencies are serious and should be corrected immediately.

WE RECOMMEND the city of Clarkton Municipal Division:

- A. Establish a documented review of municipal division records by an independent person.
- B. Along with the city, consider performing an in-depth review of court and city records. Necessary actions should be taken to obtain restitution for any funds determined to be missing.
- C.1. Issue prenumbered receipt slips for all monies received and account for the numerical sequence.
 - 2. Record the method of payment on each receipt slip and reconcile the composition of monies received to the composition of monies deposited to ensure all monies are deposited intact.
- D. Prepare monthly reports of court actions and file these with the city in accordance with state law.
- E. Ensure all financial records are appropriately retained.
- F.1. Include the disposition of each case on the court docket.
 - 2. Require the Municipal Judge to review all court dockets for propriety and sign the dockets.
- G.1. Reconcile the bond checking account monthly and maintain documentation of the reconciliations.
 - 2. Maintain a bond ledger and prepare monthly listings of open items. Reconcile these listings to monies held in trust by the court.
 - 3. Investigate and determine who posted the \$100 bond and issue prenumbered receipt slips for all monies received.
- H.1. Work with the police department to ensure records are maintained to account for the numerical sequence and ultimate disposition of all traffic tickets and summonses assigned and issued.
 - 2. Forward records of convictions on traffic offenses to the MSHP as required by state law.
- I.1. Prepare a court order authorizing the establishment of a TVB.
 - 2. Prominently post the schedule of fines and costs at the TVB.

- J. Establish and maintain accounts receivable records and obtain written and signed payment agreements for those defendants which are allowed to pay fines and court costs over a period of time.
- K.1. Maintain documentation of CVC collections and disbursements, determine and pay amounts due to the state for CVC, and, in the future, ensure CVC fees are remitted to the state in accordance with state law.
- 2. Assess CVC and LET fees in accordance with state law.
- 3. Assess POSTC fees in accordance with state law.

AUDITEE'S RESPONSE

The Mayor and the current Court Clerk provided the following responses:

- A. *Our outside bookkeeper will perform and document a review of receipt slips and deposits.*
- B. *We will look into this situation further. We are trying to get an audit of the city.*
- C.1. *The police department is issuing receipt slips. We are currently issuing receipt slips for all monies collected by the court. In addition, we are issuing receipt slips to the police department for monies transmitted by them.*
- 2. *We are currently recording the method of payment on each receipt slip and we will reconcile to the composition of deposits.*
- D.,
F.1.,
K.3. *These recommendations have been implemented.*
- E., G.1.,
G.2.,
K.2. *These recommendations will be implemented.*
- F.2. *Case files are signed by the Municipal Judge after the final disposition of the case.*
- G.3. *We will check this out and determine who posted the bond. The police department and the court are now issuing prenumbered receipt slips for all bond receipts.*
- H.1. *We will work with the police department to maintain a log or the court will maintain a log to track all tickets and/or summonses.*

- 2. *This is done after each court date.*
- I.1. *This has been done.*
- 2. *This has been posted.*
- J. *Payment agreements are issued and signed, and payments are recorded on the case file.*
- K.1. *We are now remitting CVC fees to the state and we will determine how to maintain documentation of CVC collections and disbursements.*

8.	City of Dudley Municipal Division
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- A. The duties of receiving, recording, depositing and disbursing fine and court cost monies collected by the municipal division are not adequately segregated. Currently, the City Clerk/Court Clerk performs all of these duties. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Since this is an office of one employee and proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts deposited.
- B. Checks and money orders are not restrictively endorsed until deposits are prepared. To reduce the risk of loss or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.
- C. The Court Clerk accepts cash, checks and money orders for the payment of fines and court costs. Although the method of payment is noted on the receipt slips, the composition of receipts is not reconciled to the composition of deposits.

To provide assurance all monies received have been properly deposited, the composition of monies received should be reconciled to the composition of monies deposited.
- D. During our review, we noted the following concerns related to the municipal division's TVB:
 - 1) Although the municipal division operates a TVB that allows certain offenses to be paid prior to the court date; a court order has not been issued to formally establish the TVB.

- 2) A schedule which specifies the offenses which may be paid at the TVB and the amount of fines and costs to be imposed for each offense has not been formally established by court order pursuant to Section 479.260, RSMo 1994.

Section 479.050, RSMo 1994, states that a TVB may be established by the Municipal Judge. Supreme Court Rule No. 37.49 requires the Municipal Judge to establish the TVB by court order, to designate a TVB clerk, and to establish by schedule the amount of fines and costs to be imposed for each offense. In addition, the schedule of fines and costs is required to be prominently posted at the TVB.

- E. The municipal division does not file with the city a monthly report of all cases heard in court. Section 479.080.3, RSMo 1994, requires the Court Clerk to prepare a monthly listing of all cases heard in court, including all fines and court costs collected, to be verified by the Court Clerk or Municipal Judge and filed with the City Clerk.
- F. The city adopted an ordinance on March 7, 1996, authorizing the Court Clerk to charge court costs of \$30 for each municipal court case. The Court Clerk could not explain what costs and fees were included in the \$30. Section 488.012.6, RSMo Cumulative Supp., 1998, provides for a \$12 court cost to be collected for municipal cases. In addition, Section 595.045.1, RSMo Cumulative Supp., 1998, provides for a fee of \$5 to be collected for Crime Victim's Compensation (CVC) fees and Section 590.140, RSMo Cumulative Supp., 1998, provides that an additional \$1 be collected for Peace Officers Standards and Training Commission (POSTC) fees. Thus, it appears that the court costs assessed are excessive. Furthermore it appears costs of \$30 would include the collection of CVC and POSTC fees. However, the state's portion of CVC and POSTC fees have never been remitted to the state as required by law.

The municipal division needs to review the court costs currently assessed and ensure compliance with state laws.

WE RECOMMEND the city of Dudley Municipal Division:

- A. Establish a documented review of municipal division records by an independent person.
- B. Restrictively endorse all checks and money orders immediately upon receipt.
- C. Record the method of payment on each receipt slip and reconcile the composition of monies received to the composition of monies deposited.
- D.1. Prepare a court order authorizing the establishment of a TVB.
2. Formally prepare and prominently post the schedule of fines and costs at the TVB.

- E. Prepare monthly reports of court actions and file these with the city in accordance with state law.
- F. Assess court costs and fees in accordance with state law. In addition, the court should properly remit CVC and POSTC fees to the state as required by state law.

AUDITEE'S RESPONSE

The Court Clerk provided the following responses:

- A. *An alderman will be the independent person who will review the municipal division records. His review will be documented.*
- B.&C. *These recommendations have been implemented.*
- D.1. *The Clerk is working with the Municipal Judge to establish the TVB.*
- 2. *Once the TVB is established, a schedule of fines and costs will be prominently posted in city hall.*
- E. *Corrected. A monthly summary has been prepared for review by the city aldermen and Mayor.*
- F. *Court costs have been adjusted to comply with state law and the city is remitting CVC and POSTC fees as required by state law.*

9.	City of Hornersville Municipal Division
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- A. The duties of receiving, recording, depositing, and disbursing fine and court cost monies collected by the municipal division are not adequately segregated. Currently, the Court Clerk performs all these duties. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Since this is an office of one employee and proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts deposited.
- B. During our review, we noted the following concerns related to receipts:
 - 1) Receipt slips are not issued for some monies received. From May 1996 to October 1998, we noted fifteen instances, totaling \$376, where fine and court cost monies were deposited in the Police Fund and could not be traced to a court receipt slip. Also, the police department occasionally collects monies for fines and

court costs when the Court Clerk is not present. However, the Court Clerk does not prepare a court receipt slip for the monies transmitted. To adequately account for all receipts and ensure all receipts are deposited intact, a prenumbered receipt slip should be issued for all monies received and the numerical sequence of receipts should be accounted for properly.

- 2) The Court Clerk does not consistently note the method of payment on the receipt slip, and the composition of receipts is not reconciled to the composition of deposits. To provide assurance all monies received have been properly deposited, the method of payment should be recorded on each receipt slip and the composition of monies received should be reconciled to the composition of monies deposited.
- 3) Receipts are not deposited intact or on a timely basis. Fine and court cost monies along with some city water collections were deposited to the city treasury's Police Fund. In addition, bank deposits are not reconciled to the court receipt slips issued. From April 1995 to September 1998, we noted thirty-two receipt slips for court collections in which receipts totaling over \$1,100 were apparently not deposited into the Police Fund. Since court monies are commingled with city funds and deposits are not made intact, we could not determine if these dollars were deposited into other city accounts or if a shortage exists. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, monies should be deposited intact daily or when accumulated receipts exceed \$100.
- 4) Checks and money orders are not restrictively endorsed until deposits are prepared. To reduce the risk of loss or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.

C. During our review, we noted the following concerns related to court dockets:

- 1) We noted twenty-two tickets out of seventy-eight tickets reviewed (28 percent) did not trace to a case file or court docket. The municipal division was unable to provide supporting documents indicating final disposition of the issued tickets. In addition, five confirmations were returned indicating that the ticket had been processed and fine and costs were paid at city hall. We were unable to determine if these monies had been received by the Court Clerk and deposited into the city treasury.
- 2) During our review of case files, we noted instances in which case files did not contain the individual court docket. We also noted two instances in which the Court Clerk indicated the charges were dropped; however the Municipal Judge's court docket did not indicate charges were dropped. Thus, proper disposition could not be determined.

Section 479.070, RSMo 1994, requires the proceedings of every case commenced before the court be entered on the docket. The Municipal Judge should ensure all cases are included on the court docket and document on the court docket any fines, sentences, or court orders. This ensures the proper disposition of all cases has been entered in the court records.

- D. The municipal division does not file with the city a monthly report of all cases heard in court. Section 479.080.3, RSMo 1994, requires the Court Clerk to prepare a monthly listing of all cases heard in court, including all fines and court costs collected, to be verified by the Court Clerk or Municipal Judge, and filed with the City Clerk.
- E. Numerous traffic ticket books and at least one police department receipt book could not be located. As a result, it was not possible to account for all traffic tickets and all monies received by the municipal division.

Supreme Court Administrative Rule No. 8 requires that all financial records be maintained for five years or upon completion of an audit. Retention of applicable records is necessary to properly account for all municipal division monies received.

- F. During our review, we noted the following concerns related to traffic tickets and complaint forms:
 - 1) Neither the police department nor the municipal division maintains a log to account for traffic tickets and complaint forms assigned and issued and their ultimate disposition. In addition, complaint forms are not prenumbered, and voided traffic tickets are not properly defaced.

Without a proper accounting for the numerical sequence and disposition of traffic tickets and complaint forms, the police department and the municipal division cannot be assured that all tickets and complaint forms issued are properly submitted to the court. A record of the ultimate disposition of each traffic ticket and complaint form should be maintained to ensure all tickets and complaint forms have been accounted for properly.
 - 2) The Court Clerk does not forward required records of convictions on traffic offenses to the Missouri State Highway Patrol (MSHP). Section 302.225, RSMo Cumulative Supp. 1998, requires records of any pleas of findings of guilty on traffic violations under the laws of the state, county, or municipal ordinances to be forwarded to the MSHP within ten days.
- G. The municipal division allows defendants to make partial payments on fines and court costs. However, the court does not maintain adequate records to account for individual and total amounts owed to the court and written and signed payment agreements are not

consistently obtained. We noted that partial payments made were not always recorded on the case file.

Accounts receivable records, including written and signed payment agreements, are necessary to ensure proper follow up action is taken and to facilitate monitoring of amounts due to the municipal division. A written and signed payment agreement is necessary to indicate the intent of the defendant to pay fines and court costs.

H. During our review, we noted the following concerns relating to fees:

- 1) Crime Victim's Compensation (CVC) fees collected by the municipal division are deposited directly into the city treasury. The city has never remitted these fees to the state. Section 595.045.5, RSMo Cumulative Supp. 1998, requires 95 percent of the CVC fee to be paid to the state monthly.
- 2) Peace Officer Standards and Training Commission (POSTC) fees were not assessed or collected in accordance with state law. Section 590.140.1, RSMo Cumulative Supp. 1998, requires this fee to be charged on all court cases for violations of municipal ordinances except for cases dismissed by the court.

Because of the problems noted above, we were unable to express an opinion on the financial statements of the city of Hornersville Municipal Division as of and for the years ended April 30, 1998 and 1997. These deficiencies are serious and should be corrected immediately.

Conditions similar to B.-G. were also noted in our prior report.

WE RECOMMEND the city of Hornersville Municipal Division:

- A. Establish a documented review of municipal division records by an independent person.
- B.1. Issue prenumbered receipt slips for all monies received and account for the numerical sequence.
2. Record the method of payment on each receipt slip and reconcile the composition of monies received to the composition of monies deposited.
3. Review the exceptions noted to determine that all court collections were deposited into the city treasury. In addition, we recommend the municipal division deposit all monies intact daily or when accumulated receipts exceed \$100.
4. Restrictively endorse all checks and money orders immediately upon receipt.

- C. Ensure that case files are prepared for all tickets issued and final dispositions of cases are recorded on the court dockets.
- D. Prepare monthly reports of court actions and file these with the city in accordance with state law.
- E. Ensure all municipal division financial records are appropriately retained.
- F.1. Work with the police department to ensure records are maintained to account for the numerical sequence and ultimate disposition of all traffic tickets and complaint forms assigned and issued. In addition, all complaint forms issued should be prenumbered and voided tickets should be properly defaced.
- 2. Forward records of convictions on traffic offenses to the MSHP as required by state law.
- G. Establish and maintain accounts receivable records and obtain written and signed payment agreements for those defendants which are allowed to pay fines and court costs over a period of time.
- H.1. Determine and pay amounts due to the state for CVC, and in the future ensure CVC fees are remitted to the state in accordance with state law.
- 2. Assess POSTC fees in accordance with state law.

AUDITEE'S RESPONSE

The Municipal Judge and the Court Clerk provided the following responses:

- A. *The outside accountant will document an independent comparison of receipt slips to amounts deposited.*
- B.1. *Receipt slips are issued for all monies received. Fines and costs are deposited directly into the city's Police Fund in a timely manner. Deposits are made at least weekly or when the amount exceeds \$100. The police department no longer collects fine money.*
- 2. *The method of payment is now marked on each prenumbered receipt slip and reconciled to the deposit.*
- 3. *Before the audit, some court monies were deposited into other accounts. Now all monies are deposited on a timely basis. Each deposit goes directly into the proper account (water money into the Water Fund, fine money into the Police Fund, etc.). Court money is now kept in a separate box in another drawer.*

4. *Checks and money orders are now endorsed immediately upon receipt.*
- C.1. *All tickets are assigned a case number as they are received by the Court Clerk. Money received at city hall has a prenumbered receipt slip issued at that time.*
2. *Each case has an individual court docket sheet attached to the case file. All cases are signed by the Municipal Judge at the time of disposition.*
- D. *A monthly report is now filed on all cases heard in court. This report is reviewed by the Mayor and Council monthly.*
- E. *Only one traffic ticket book is issued to the police department at a time. They cannot receive a new book until all tickets have been accounted for and the old book has been turned into the Court Clerk.*
- F.1. *The Police Department has been advised that all traffic tickets must be accounted for. All voided traffic tickets must remain in the ticket book and VOID must be written across them. Complaint forms will no longer be used.*
2. *All required records of convictions on traffic offenses are now forwarded to the Missouri State Highway Patrol after each court.*
- G. *Written and signed payment agreements are now used for anyone paying a fine in partial payments. All payments are recorded on the case file.*
- H.1. *CVC fees collected by the municipal division are remitted to the state monthly. In July 1999, amounts due to the state for the previous year were remitted to the state.*
2. *POSTC fees are collected according to state law.*

This report is intended for the information of the management of the various municipal divisions of the Thirty-Fifth Judicial Circuit and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on State Auditor's Prior Recommendations

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
FOLLOW-UP ON STATE AUDITOR'S PRIOR RECOMMENDATIONS

This section reports follow-up action taken by eight of the municipal divisions of the Thirty-Fifth Judicial Circuit on recommendations made in the Management Advisory Report (MAR) of our report issued for the years ended 1993, 1992, and 1991. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the municipal divisions should consider implementing these recommendations.

1. City of Advance Municipal Division

- A.1. The numerical sequence of receipt slips was not accounted for and receipt slips were not reconciled to transmittals or monthly reports.
- 2. Checks and money orders were not restrictively endorsed until deposited.
- 3. All persons collecting fines and court costs were not adequately bonded.
- B. The Municipal Judge and Court Clerk were husband and wife.
- C. The Municipal Judge had not issued a court order to formally establish the TVB, and a schedule of fines and costs had not been posted.
- D. The court did not record the disposition of all cases on the docket.
- E. Records of convictions on traffic ticket offenses were not always forwarded to the MSHP.
- F. CVC and LET fees were not assessed in accordance with state law.

Recommendation:

The city of Advance Municipal Division:

- A.1. Account for the numerical sequence of receipt slips issued and reconcile the receipt slips written to the monies transmitted to the city and the monthly report.
- 2. Restrictively endorse all checks and money orders immediately upon receipt.
- 3. Request the city to obtain a bond for all persons handling court monies.
- B. Review and discuss this situation with the Mayor and the Board of Alderman to determine the proper resolution of any conflict.
- C. Issue a court order to formally establish the TVB and post a schedule of fines and court costs at the TVB.

- D. Document all case dispositions on the court docket and ensure that the Municipal Judge signs the docket.
- E. Forward records of convictions on traffic offenses to the MSHP as required by state law.
- F. Assess CVC and LET fees in accordance with state law.

Status:

A.1

& A.2. Partially implemented. The numerical sequence of receipt slips was usually accounted for and reconciled to the deposit slips; however, we noted a few deposit slips were not reconciled to receipts. Checks and money orders were endorsed when the daily deposits were prepared. Although not repeated in the current MAR, the municipal division should still consider fully implementing these recommendations.

A.3. Implemented. Bond coverage of \$1,000 was obtained for the Court Clerk.

B. This recommendation does not apply to the current Municipal Judge and Court Clerk.

C. Implemented.

D&F. Not implemented. See MAR No. 1.

E. Partially implemented. Traffic tickets are forwarded to the MSHP; however, we noted two tickets that were not forwarded. Although not repeated in the current MAR, the municipal division should still consider fully implementing this recommendation.

2. City of Arbyrd Municipal Division

A.1. Receipt slips did not indicate the method of payment.

2. Receipts were not deposited on a timely basis.

B. An adequate bond ledger was not maintained and monthly listings of open items (liabilities) were not prepared.

C.1. CVC and LET fees were not assessed in accordance with state law.

2. The state's portion of CVC fees was remitted to the state approximately three times a year.

D. The Municipal Judge did not sign the docket after dispositions were recorded.

Recommendation:

The city of Arbyrd Municipal Division:

- A.1. Indicate the method of payment on each receipt slip issued, and reconcile total cash, checks, and money orders received to bank deposits.
- 2. Deposit receipts daily or when accumulated receipts exceed \$100.
- B. Maintain a bond ledger, prepare monthly listings of open items, and reconcile this listing to monies held in trust.
- C.1. Assess the CVC and LET fees in accordance with state law.
- 2. Remit CVC fees in accordance with state law.
- D. Require the judge's signature on the court dockets.

Status:

- A.1. Not implemented. See MAR No. 2.
- A.2,
C.&
D. Implemented.
- B. Partially implemented. A bond ledger is maintained; however, a monthly listing of open items (liabilities) is not prepared and reconciled to monies held in trust by the city. See MAR No. 2.

3. City of Bell City Municipal Division

- A.1. Receipts were not issued for all monies collected. In addition, receipt slips issued were not prenumbered.
- 2. Receipts were not deposited intact and the composition of receipt slips was not reconciled to the composition of deposits.
- B. CVC fees were not assessed in accordance with state law.
- C. Records of convictions on traffic tickets were not forwarded to the MSHP on a timely basis.
- D. The Municipal Judge had not issued a court order to formally establish the TVB, and a schedule of fines and costs had not been posted.
- E. Monthly reports of all cases heard in court were not filed with the city.

Recommendation:

The city of Bell City Municipal Division:

- A.1. Issue prenumbered receipt slips for all monies received and account for the numerical sequence of receipt slips.
- 2. Discontinue the practice of cashing checks from daily collections and deposit all receipts intact and reconcile the composition of receipt slips to bank deposits.
- B. Assess, collect, and remit CVC fees in accordance with state law.
- C. Forward records of convictions on traffic offenses to the MSHP as required by state law.
- D. Issue a court order to formally establish the TVB and post a schedule of fines and court costs at the TVB.
- E. Prepare monthly reports of court actions and file these with the city in accordance with state law.

Status:

- A.1. Not implemented. See MAR No. 3.
- 2. Partially implemented. Receipts are deposited intact; however, the compositions of receipt slips were not reconciled to deposits. See MAR No. 3.
- B&E. Implemented.
- C. Partially implemented. Traffic tickets are forwarded to the MSHP; however we noted one ticket that was not forwarded. Although not repeated in our current MAR, the municipal division should still consider fully implementing this recommendation.
- D. Partially implemented. A schedule of fines and costs is posted; however, the Municipal Judge has not issued a court order to formally establish the TVB. See MAR No. 3.

4. City of Bloomfield Municipal Division

- A.1. The numerical sequence of receipt slips was not accounted for and monthly reports were not reconciled to deposits in the city treasury.
- 2. Method of payment was not indicated on bond forms and deposit slips were not reconciled to receipt slips and bond forms.
- B. The Municipal Judge and Court Clerk were husband and wife.
- C. The court did not record the disposition of all cases on the docket and the Municipal Judge did not sign the docket after dispositions were recorded.

- D. Neither the police department nor court maintained adequate records to account for traffic tickets assigned and issued and their ultimate disposition.
- E. LET fees were not assessed in accordance with state law.

Recommendation:

The city of Bloomfield Municipal Division:

- A.1. Account for the numerical sequence of bond forms issued and reconcile the monthly report to monies deposited in the city treasury.
- 2. Indicate the method of payment on each bond form issued and reconcile total cash, checks, and money orders received to bank deposits.
- B. Review and discuss this situation with the Mayor and the City Council to determine the proper resolution of any conflict.
- C. Document all case dispositions on the court docket and ensure that the Municipal Judge signs the docket.
- D. Work with the police department to ensure records are maintained to account for the numerical sequence of all tickets issued. A system should also be developed to account for the ultimate disposition of all traffic tickets.
- E. Collect LET fees on all violations of general city ordinances.

Status:

- A. Partially implemented. The municipal division no longer accepts bond monies; however, total cash, checks and money orders received and monthly reports are not reconciled to deposits into the city treasury. See MAR No. 4.
- B. This recommendation does not apply to the current Municipal Judge and Court Clerk.
- C. Partially implemented. Case dispositions are documented on the court docket; however, the Municipal Judge does not sign the court docket after case dispositions are recorded. See MAR No. 4.

D&E. Implemented.

5. City of Campbell Municipal Division

- A.1. Deposit slips did not indicate the composition of receipts and receipt slips were not reconciled to deposits.
- 2. Monthly reports of all cases heard in court were not filed with the city.
- 3. The numerical sequence of receipt slips was not accounted for properly.

- B. Adequate records were not maintained to document amounts due from defendants.
- C.1. The municipal division's bank account was reconciled once a year and a running balance was not maintained.
 - 2. An adequate bond ledger was not maintained and monthly listings of open items (liabilities) were not prepared.
 - 3. Bond refund checks were cashed out of court receipts; thus, fines and court costs were not deposited intact.
 - 4. The municipal division's bank account included bonds totaling \$663 for bonds that should have been refunded.
 - 5. The police department collected some cash bonds that were not turned over to the court and deposited; they were given directly to the applicable law enforcement agency.
- D.1. CVC and LET fees were not assessed in accordance with state law.
 - 2. The state's portion of CVC fees was remitted to the state approximately twice a year.
- E. Records of convictions on traffic tickets were not always forwarded to the MSHP.
- F. The Municipal Judge had not issued a court order to formally establish the TVB, and the schedule of fines and costs had not been posted.

Recommendation:

The city of Campbell Municipal Division:

- A.1. Reconcile the composition of receipt slips to bank deposits.
 - 2. Include the collections on the monthly reports and reconcile to transmittals to the city.
 - 3. Account for the numerical sequence of receipt slips.
- B. Maintain complete detailed records of amounts due from defendants.
- C.1. Reconcile the Bond Escrow Account on a monthly basis, record all transactions timely, and maintain a running balance in the checkbook register.
 - 2. Maintain a bond ledger, prepare monthly listings of open items, and reconcile this listing to monies held in trust.
 - 3. Discontinue the practice of cashing bond refund checks out of other cash collections.
 - 4. Dispose of unclaimed bonds in accordance with state law.
 - 5. Deposit all bond collections into the Bond Escrow Account and issue checks to applicable law enforcement agencies as needed.

- D.1. Assess CVC and LET fees in accordance with state law.
- 2. Remit CVC fees in accordance with state law, including all past due amounts.
- E. Forward records of convictions on traffic offenses to the MSHP as required by state law.
- F. Issue a court order to formally establish the TVB and post a schedule of fines and costs at the TVB.

Status:

A.1,C.1,
C.3,C.4,
& D.1. Not implemented. See MAR No. 5.

A.2,A.3,
B, C.5,
D.2,
& E. Implemented.

- C.2. Partially implemented. A bond ledger is maintained; however, no monthly listing of open-items is maintained and the ledger is not reconciled to monies held in trust. See MAR No. 5.
- F. Partially implemented. A court order to formally establish the TVB was issued; however, a schedule of fines and costs has not been posted at the TVB. Although not repeated in the current MAR, the municipal division should still consider fully implementing this recommendation.

6. City of Cardwell Municipal Division

- A.1. Receipt slips did not indicate the method of payment.
- 2. Receipts were not deposited on a timely basis.
- B. Adequate records were not maintained to account for all traffic tickets and complaint forms assigned, issued, and their ultimate disposition.
- C. Adequate records were not maintained to document amounts due from defendants.
- D. The state's portion of CVC fees was remitted to the state approximately five times for a two year period and the amount remitted did not reconcile to total collections.
- E. The Municipal Judge did not sign the docket after dispositions were recorded.
- F. Monthly reports of all cases heard in court were not filed with the city.

Recommendation:

The city of Cardwell Municipal Division:

- A.1. Indicate the method of payment on each receipt slip issued, and reconcile total cash, checks, and money orders received to bank deposits.
- 2. Deposit all receipts daily or when accumulated receipts exceed \$100.
- B. Work with the police department to ensure records are maintained to account for the numerical sequence of all tickets and complaint forms assigned and issued. A system should also be developed to account for the ultimate disposition of all traffic tickets and complaint forms.
- C. Maintain detailed records of amounts due from defendants.
- D. Determine and pay amounts due to the state for CVC, and in the future, ensure CVC fees are remitted to the state in accordance with state law.
- E. Require the judge's signature on the court dockets.
- F. Prepare monthly reports of court actions and file these in accordance with state law.

Status:

A.1.
& F. Implemented.

A.2,
C-E. Not implemented. See MAR No. 6.

B. Partially implemented. The police department does maintain a log that accounts for the numerical sequence off all tickets assigned and issued. However, the log does not include the ticket issuance date or the ultimate disposition of the ticket. Although not repeated in the current MAR, the municipal division should still consider fully implementing this recommendation.

7. City of Clarkton Municipal Division

- A.1. Prenumbered receipt slips were not issued and police department receipt slips did not provide a duplicate copy.
- 2. Method of payment was not indicated on receipt slips and receipts slips were not reconciled to deposits.
- 3. Receipts slips were not issued for all monies collected.
- 4. Deposit slips did not indicate individual receipts, and receipts were not deposited intact.

5. Court receipt slips were not issued to the police department for monies transmitted to the court.
6. Cash bonds were not always deposited into the city's bank account but were held by the Court Clerk until disposition of the case.
- B. Adequate records were not maintained to account for all traffic tickets issued by the police department. In addition, ticket books were not assigned in sequential order.
- C. A bond ledger was not maintained and monthly listings of open items (liabilities) were not prepared.
- D. Adequate records were not maintained to document amounts due from defendants. The court did not have procedures to maximize collections of amounts due to the court.
- E.1. CVC and LET fees were not assessed in accordance with state law.
2. CVC and LET collections were not documented.
3. CVC fees were not disbursed to the state. The estimated amount the city owed the state was approximately \$700 for the two years ended December 31, 1992.
- F.1. The Municipal Judge did not sign the docket after dispositions were recorded.
2. The court did not record the disposition of all cases on the docket.
- G. The Municipal Judge had not issued a court order to formally establish the TVB, and the schedule of fines and costs had not been posted.
- H. Monthly reports of all cases heard in court were not filed with the city.
- I. Records of convictions on traffic ticket offenses were not forwarded to the MSHP.

Recommendation:

The city of Clarkton Municipal Division:

- A.1. Issue prenumbered, duplicate receipt slips and account for their numerical sequence.
2. Indicate the method of payment on each receipt slip and reconcile total cash, checks and money orders received to amounts deposited.
3. Issue receipt slips for all monies received.
4. Deposit receipts intact daily or when accumulated receipts exceed \$100, record the composition of the deposit on the deposit slips and reconcile to the composition of the receipt slips, and separately record the receipts on the deposit slips or otherwise indicate which receipts make up a deposit.

5. Issue receipt slips or other documentation to the police department for all monies transmitted to the court.
6. Deposit all cash bonds in the city's bank account and make all subsequent disbursements of the bonds by check.
- B. Work with the police department to ensure ticket books are issued in order and records are maintained to account for the numerical sequence of all tickets issued. A system should also be developed to account for the ultimate disposition of all traffic tickets.
- C. Maintain a bond ledger, prepare monthly listings of open items, and reconcile this listing to monies held in trust.
- D. Maintain detailed records of amounts due from defendants and establish procedures to maximize the collection of fines and court costs owed to the court.
- E.1. Assess the CVC and LET fees in accordance with state law.
2. Maintain classified schedules of receipts to document amounts collected for fines, court costs, CVC, LET, and bonds.
3. Determine CVC fees due to the state and remit those amounts.
- F.1. Require the judge's signature on the court dockets.
2. Include all cases and their dispositions in the court docket.
- G. Issue a court order to establish the TVB and post a schedule of fines and costs at the TVB.
- H. Prepare monthly reports of court actions and file these in accordance with state law.
- I. Forward records of convictions on traffic offenses to the MSHP as required by state law.

Status:

- A.1. Partially implemented. The court issues prenumbered, duplicate receipt slips; however, the numerical sequence is not accounted for. In addition, the police department does not retain a copy of receipt slips issued. See MAR No.7.
- A.2, A.3,
A.5, C,
D, E.1-3,
F.-I. Not implemented. See MAR No. 7.
- A.4. Partially implemented. Receipts are deposited three to four times a week and court receipts are recorded on a separate deposit slip; however, the composition of the deposit is not indicated on the deposit slip, monies are not deposited intact, and the deposit slips do not indicate the individual receipts composing the deposit. See MAR No. 7.

A.6. Implemented.

B. Partially implemented. Traffic ticket books are issued in order; however, no records are maintained to account for the numerical sequence of all tickets issued and the ultimate disposition. See MAR No. 7.

8. City of Hornersville Municipal Division

A.1. Duplicate copies of receipt slips issued by the police department were not retained.

2. Receipts were not deposited on a timely basis.

3. Court receipt slips were not issued to the police department for monies transmitted to the court.

4. Checks and money orders were not restrictively endorsed until deposited.

5. The numerical sequence of receipt slips was not accounted for and receipt slips were not reconciled to deposits. The method of payment was not always correctly recorded on the receipt slips. In addition, deposit slips did not indicate individual receipts and the composition of the deposit.

6. Police department receipt slips were not prenumbered and did not provide a duplicate copy.

B. Adequate records were not maintained to account for all traffic tickets and complaint forms assigned, issued and their ultimate disposition. In addition, complaint forms were not prenumbered.

C.1. The Municipal Judge did not include all cases in the official court docket.

2. The court did not maintain case files for documents which supplemented the official court docket.

D. Adequate records were not maintained to document amounts due from defendants. The court did not have procedures to maximize collections of amounts due to the court.

E. The schedule of fines and costs was not posted at the TVB.

F. Records of convictions on traffic ticket offenses were not always forwarded to the MSHP.

G. Monthly reports of all cases heard in court were not filed with the city.

Recommendations:

The city of Hornersville Municipal Division:

A.1. Retain copies of all receipt slips.

2. Deposit receipts at least monthly.
 3. Issue receipt slips to the police department for all monies transmitted to the court.
 4. Restrictively endorse all checks and money orders immediately upon receipt.
 5. Accurately record the composition of receipts and deposits and reconcile the two records. List individually each receipt included in the deposit.
 6. Work with the police department to issue prenumbered, duplicate receipt slips and account for their numerical sequence.
- B. Work with the police department to ensure records are maintained to account for the numerical sequence of all tickets and complaint forms issued. A system should be developed to account for the ultimate disposition of all traffic tickets and complaint forms.
- C.1. Include all cases and their ultimate disposition in the court docket.
2. Retain all court documents.
- D. Maintain complete detailed records of amounts due from defendants.
- E. Post a schedule of fines and costs at the TVB.
- F. Forward records of convictions on traffic offenses to the MSHP as required by state law.
- G. Prepare monthly reports of court actions and file these in accordance with state law.

Status:

A.1-A.5,

B-D,

F&G. Not implemented. See MAR No. 9.

E. Implemented.

A.6. Partially implemented. The police department issues prenumbered, duplicate receipt slips; however, the numerical sequence is not accounted for properly. Although not repeated in the current MAR, the municipal division should still consider fully implementing this recommendation.

STATISTICAL SECTION

History, Organization, and
Statistical Information

THIRTY-FIFTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organization

The Thirty-Fifth Judicial Circuit is composed of Dunklin and Stoddard counties. The Honorable Stephen R. Sharp serves as Presiding Judge. This report includes nine of the sixteen municipal divisions within the Thirty-Fifth Judicial Circuit.

The municipal divisions are governed by Chapter 479, RSMo 1994, and by Supreme Court Rule No. 37 titled "Ordinance Violations and Traffic Violations Bureau (TVB)." Section 479.050, RSMo 1994, provides that each municipal division may establish a TVB in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Operating Costs

The operating costs and court salaries of each municipal division are paid by the respective municipality, the county, or the state of Missouri, as applicable.

Municipal Division Organization, Personnel, and Caseload Information

1. City of Advance

Organization

The City Collector serves as Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. The police department collects fines, court cost, and bond monies when the Court Clerk is not available. The police department transmits collections to the Court Clerk as received. Fines, court costs, and bond monies collected are deposited directly into the city treasury daily. Bond monies are held in the city treasury pending disposition. Court is held twice a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge*	David DeVaughn
City Collector/Court Clerk**	Bonnie Umfleet

* Howard Stevens served as Municipal Judge prior to February 1997.

** Mary Stevens served as Court Clerk prior to June 1997. Linda Weissenborn served as Court Clerk during June and July 1997. Bonnie Umfleet became the Court Clerk

in August 1997.

Caseload Information

	<u>Year Ended September 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	311	358

2. City of Arbyrd

Organization

The City Clerk serves as Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. The police department collects bonds when the Court Clerk is not available. The police department transmits collections to the Court Clerk as received. Fines, court costs, and bond monies collected are deposited directly into the city treasury daily. Bond monies are held in the city treasury pending disposition. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	James R. Bruce
City Clerk/Court Clerk	Alice Gibson

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	82	99

3. City of Bell City

Organization

The City Clerk serves as the TVB Clerk and is responsible for recording TVB transactions as well as handling TVB collections. Fines, court costs, and bond monies collected at the TVB are deposited directly into the city treasury daily. Bond monies are immediately disbursed to the proper court. Although monies are collected at the TVB, a court order has not been issued to formally authorize the collection of fines and court costs at times other than court. The Associate Circuit Judge of Stoddard County serves as the judge for this municipality.

Personnel

Associate Circuit Judge
City Clerk/TVB Clerk

Joe Z. Satterfield
Mildred Rivers

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of tickets issued	23	93

4. City of Bloomfield

Organization

The Court Clerk is responsible for recording transactions as well as handling collections and disbursements. Prior to May 1997, the police department also handled collection of receipts. Fines, court costs, and bond monies collected by the Court Clerk and the police department are deposited directly into the city treasury. Bond monies are held in the city treasury pending disposition. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge*
Court Clerk**

James Tweedy
Sara Hutchinson

* Howard Stevens served as Municipal Judge prior to March 1997.

** Mary Stevens served as Court Clerk prior to March 1997.

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	232	143

5. City of Campbell

Organization

The City Clerk serves as Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. The City Collector and police department also handle collections of receipts. Fines and court costs collected are transmitted daily to the City Collector for deposit into the city treasury. Bond monies collected are transmitted daily to the City Collector for deposit into a municipal division bank account pending disposition. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	Barbara Godley
City Clerk/Court Clerk	Randall Baker
City Collector	Frankie Thomason

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	353	310

6. City of Cardwell

Organization

The City Clerk serves as Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. The police department collects fine and court cost monies when the Court Clerk is not available. The police department transmits collections to the Court Clerk as received. Fines and court costs collected are deposited directly into the city treasury approximately twice a month. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge*	John McMullan
City Clerk/Court Clerk	Melony Back

* W.G. Davis served as Municipal Judge prior to April 1997.

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of tickets issued	214	256

7. City of Clarkton

Organization

The City Clerk serves as Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. The police department collects fine, court costs, and bond monies when the Court Clerk is not available. The police department transmits collections to the Court Clerk as received. Fines and court costs collected are deposited directly into the city treasury daily. Bond monies are deposited into a municipal division bank account pending disposition. Prior to June 1998, bond monies were held in the city treasury. Court is held once a month. Although monies are collected at times other than during court, a court order has not been issued to formally authorize the collection of fines and court costs at times other than during court.

Personnel

Municipal Judge*	Phillip Britt
City Clerk/Court Clerk**	Patricia Caples

* Jim Bruce served as Municipal Judge prior to May 1998.

** Francis Reynolds served as Court Clerk prior to May 1998.

Caseload Information

	<u>Year Ended December 31</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	260	162

8. City of Dudley

Organization

Court operation began in July 1996. The City Clerk serves as Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs are deposited directly into the city treasury as received. Court is held every ten weeks, if necessary. Although monies are collected at times other than during court, a court order has not been issued to formally authorize the collection of fines and court costs at times other than during court.

Personnel

Municipal Judge
City Clerk/Court Clerk

Norman Swafford
Glenda Miller

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	1	15

9. City of Hornersville

Organization

The City Clerk serves as the Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. The police department collects fines and court costs when the Court Clerk is not available. The police department transmits collections to the Court Clerk as received. Fines and court costs collected are deposited directly into the city treasury approximately four times a year. The court had no bond activity during the audit period. Court is held once a month, as necessary. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

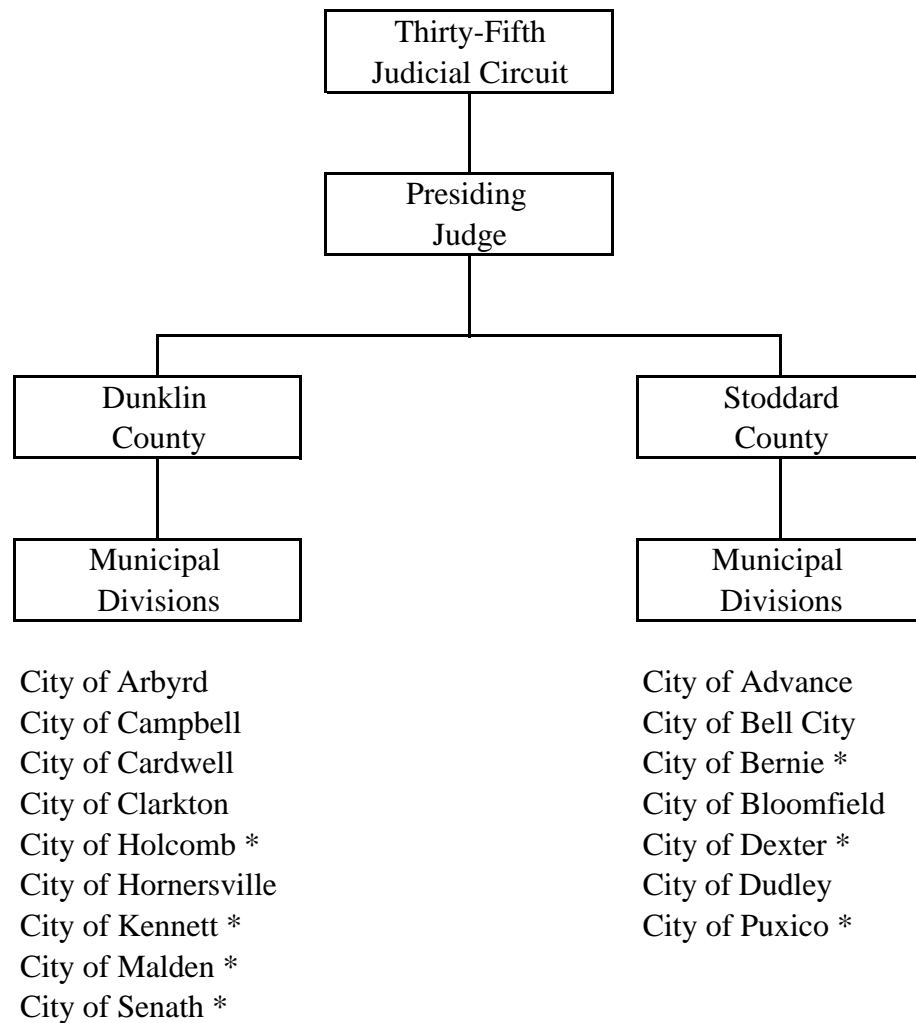
Municipal Judge
City Clerk/Court Clerk

J. Michael Mowrer
Debbie Mansfield

Caseload Information

	<u>Year Ended April 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	14	72

THIRTY-FIFTH JUDICIAL CIRCUIT
ORGANIZATION CHART



* Reported on separately.

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